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THE HOUSE ARMED SERVICES COMMITTEE**

**Testimony of**

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**Before the  
House Armed Services Committee**

**Subcommittee on  
Military Personnel**

**Subject:**

**Defense Health Program Oversight Hearing**

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Chairman McHugh, Ranking Member Snyder, distinguished members of the subcommittee, I welcome the opportunity to testify before your committee to share with you how Navy Medicine continues to provide quality, economical health care to all our beneficiaries -- active duty, military retirees, and their eligible family members. We are committed to meeting our expanding and diverse missions such as: combat service support, global war on terror, homeland security, and an increasing humanitarian role in addition to the traditional health care benefit. At the same time, Navy Medicine is working closely with the Chief of Naval Operations and the Commandant of the Marine Corps in refining our role as a peace multiplier and defensive weapon system; a key component in the evolving mission of the Navy-Marine Corps team. Navy Medicine, as part of the medical force of the future, must be capable of fully supporting joint operational efforts across the entire range of military operations.

### **Health Care in the field**

Navy Medicine first priority is to support the Warfighter. We have the right people with the right capabilities trained to deploy with the Navy-Marine Corps team, to do one mission one day and another mission the next. Our current medical readiness efforts show us to be flexible enough to perform a variety of missions. We are able to maintain a flow of medical personnel, infrastructure and supply to support the warfighter on the battlefield, more so than we have been able to do in past conflicts. Yet, our current operational tempo, along with the nature of casualties from Operations Enduring Freedom and Iraqi Freedom, has created new demands for our medical and support personnel.

In the current operations, Navy Medicine has made significant advancements in the health care provided by first responders and in access to resuscitative surgical care during the critical “golden hour.” We are seeing more seriously injured warfighters who survive – more

than in any other conflict in history. While some may attribute the relatively low mortality rates to advances in medical technology, better body armor, or improved battlefield logistics, I believe that the most important contributor to saving lives on the battlefield has been, and remains, our corpsmen, Navy Medicine's first responders on the battlefield. The platoon corpsmen are supported by a team of field surgeons, nurses, medical technicians and support personnel in theater, who are supported by medical evacuation teams and overseas Military Treatment Facilities (MTF) working in conjunction with MTF in the US – this is the Navy Medicine chain of care.

In the last year, Navy Medicine has made several changes to its operational and command structure in order to become an even more efficient enterprise. Navy Medicine recognizes the need to provide the best possible health care within our resource constraints. This challenge will continue to grow in light of the fact that the cost of defense health programs has doubled in the past few years and will reach more than \$50 billion within five years. Through careful business planning and execution, Navy Medicine recently aligned MTF operations to focus on the preservation of health, the prevention of disease and injury, and the delivery high quality care in a sound economic environment.

A business plan focused on quality must understand what products and services have value to customers and must have the metrics to measure the delivery of those products and services.

In recent years, Navy Dentistry began consolidating its command suites from 34 to 3. The cost savings included the elimination of redundant officer, enlisted and civilian support personnel formerly involved in the administration of a separate command infrastructure. By integrating the Dental Commands with the larger Military Treatment Facility (MTF) command

suites in the shared geographical area they were able to eliminate more than 90 duplicate administrative functions. All of this was accomplished without adverse impact on the dental health care delivered and in a manner that is transparent to our customers. The remaining three dental commands are the dedicated Dental Battalions supporting the Marine Corps Operating Forces.

Another example is Navy Medicine's active participation in the implementation of the new TRICARE contracts. Although the TRICARE benefit structure remains the same, there have been changes in program administration which are intended to make health care delivery more customer-focused and to support better coordination between MTFs and the civilian provider networks. Organizational changes implemented to support the new business environment include the disestablishment of Lead Agents and the establishment of three TRICARE Regional Offices (TRO) aligned with the regional contracts in the United States -- North, South, West. Each of the Services was responsible for providing a Flag/General Officer or Senior Executive Service civilian dedicated for a TRO Director position: Army-North, Air Force-South, Navy-West. The Navy has named RADM Nancy Lescavage as the second TRO Director and she relieved retiring RADM James Johnson in June 2005.

This past summer, Navy Medicine realigned the collective shore-based assets to better meet the readiness mission and deliver cost-effective, high quality health care to all beneficiaries. This included standing up four Echelon 3 commands – Navy Medicine West, Navy Medicine East, Navy Medicine National Capital Area, and the Navy Medicine Support Command. The purpose for establishing this command and control structure is to strengthen Navy Medicine's alignment, gain operating efficiencies and take advantage of human capital resources strategies. The regional commands will have flexibility in supporting operational requirements, while

improving health care access for all eligible beneficiaries. The support command will consolidate infrastructure and institute common business principles among the support entities.

Increased cooperation and collaboration with our federal health care partners is essential in providing quality care. As an extension of our ability to care for our patients, Navy Medicine's partnership with Department of Veterans Affairs (VA) medical facilities continues to grow and develop into a mutually beneficial partnership. The care for Sailors and Marines who transfer to and receive care from a VA facility while convalescing is coordinated through the VA Seamless Transition Coordinator. This full time VA staff member is co-located at the National Naval Medical Center (NNMC) in Bethesda, MD, and interacts with OEF/OIF Points of Contact at each VA Medical Center to expedite a direct transfer for inpatient and outpatient care. The Seamless Transition Program was created by former VA Secretary Anthony Principi in August 2003 specifically to resolve the logistical and administrative barriers for active duty service members transitioning from military to VA-centered care.

Recently-wounded Sailors and Marines differ from the VA's traditional rehabilitation patient in age and extent or complexity of injury. Navy Medicine and the VA continue to adapt to meet their needs. To enhance continuity and clinical outcomes, and to improve family support, the NNMC physicians now remain as the Case Managers throughout the transition process. Weekly teleconferences to review the status of NNMC patients transferred are conducted with primary transfer sites, such as the VA Medical Center in Tampa, Florida. NNMC staff continues to conduct site visits and teleconferences, coordinate with other related facilities, and share best practices to enhance health care delivery to these patients. This level of interaction and cooperation will continue at every level to ensure the care of our wounded warfighter is never compromised.

Navy Medicine supports Commanding Officers who pursue sharing and collaboration with VA facilities in their communities. In fact, Navy Medicine currently manages 71 medical agreements and 34 Military and Medical Support Office/Dental agreements and other types of administrative support agreements.

Some of these agreements represent efforts to consolidate support functions for the medical facilities. Other examples of resource-sharing efforts between the Navy Medicine and VA include: the Navy Blood Program at Naval Hospital Great Lakes (NHGL) which uses the North Chicago Veterans Affairs Medical Center (NCVAMC) spaces to manufacture blood products, precluding the need for Navy to build a new blood center at Naval Hospital Great Lakes; and the DoD/VA Federal Pharmacy Executive Steering Committee (FPESC) which was chartered to oversee joint agency contracts involving high dollar and high volume pharmaceuticals to improve the clinical and economic outcomes of drug therapy in both systems.

Navy Medicine is also partnering or planning to partner with the VA in several hospital /ambulatory care center construction projects. Naval Hospital Pensacola is working with the VA on a joint-venture outpatient medical care facility; Naval Hospital Charleston has a future VA construction start for a Consolidated Medical Clinic (CMC) aboard Naval Weapons Station Charleston, SC; Naval Hospital Guam is considering a project where the VA would accept an adjacent site from Navy to construct a small freestanding community-based outpatient clinic; and Naval Hospital Beaufort is also considering a future project with the VA.

VA/Navy Working Group is working towards an agreement on a fully integrated governance plan for the joint effort at NCVAMC and NHGL. This Federal Health Care Facility will have one line of authority and will create a new hybrid organization with new paradigms and practices. All services currently available at NHGL and NCVAMC will be placed within this

organizational structure to provide efficient delivery of health care services within a seamless patient care and support environment.

### **Diversity of Missions**

Currently, Navy Medicine is deployed afloat and ashore around the world providing preventive medicine, combat medical support, health maintenance, medical intelligence and operational planning. Navy Medicine provided over 4,000 health service professionals to Navy, Marine Corps, Army and DoD operations in 2005 to support the Combatant Commanders' operations, exercises and training requirements.

One example of how Navy Medicine is meeting its mission to provide combat service support is through the creation of the Expeditionary Medical Facility (EMF). These facilities, with similar capabilities as Fleet Hospitals, are lighter and more mobile and can be set up within 48 hours. EMFs may be used independently or in combination with the theater's joint health system for evacuation, medical logistics, medical reporting, and other functions, which ensure better interoperability with the Army and the Air Force. The flexibility of EMFs continues to evolve to meet operational requirements and to provide robust medical care for major conflicts, low-intensity combat, operations other than war, and disaster/humanitarian relief operations.

The Global War on Terror has challenged us to broaden our view of medical readiness. Our Military Treatment Facilities (MTF) are prepared to respond to any contingency, to provide expert health care to casualties returning from theater, and be ready to support the Nation's needs in collaboration with the National Disaster Medical System.

Navy Medicine has several initiatives to meet the needs of disaster preparedness focused on staff, supplies and systems. In addition, delivering a more fit and healthy force, mitigating the risk of injury or illness, and providing more effective resuscitation of battlefield casualties are

indicators of Navy Medicine's readiness and ability to prosecute the Global War on Terror. Medical research and development is a critical enabler of this effort. Our research investments allow us to transform into a defensive weapon system that will promote health and fitness, protect people from injury and disease, and effectively reduce, manage and rehabilitate casualties. In addition, these research investments and capabilities help Navy Medicine respond to the current and future needs of the Fleet and the Marine Corps operational forces.

Collaboration with other organizations, including other federal and civilian agencies, is essential for effective and efficient disaster response. A local example of this type of collaboration took place at the National Naval Medical Center in Bethesda, Maryland. Because of its proximity to the National Capital Region, the National Naval Medical Center established a disaster preparedness and response coalition with the National Institutes of Health and Suburban Hospital Healthcare System in Bethesda. Recently, they conducted a successful joint disaster drill involving Montgomery County and municipal emergency response organizations and other members of the local area hospital network to test the hospitals emergency response capabilities and interoperability. The goals of the disaster drill included practicing emergency response efforts and logistical transportation of victims between the partnering medical facilities during a mass casualty situation. This official partnership now creates a unified working group that shares its resources to provide unparalleled care to victims of a major disaster in the National Capital Area.

Navy Medicine has provided humanitarian relief overseas and at home. Two significant examples are Operation Unified Assistance in the Indian Ocean and Hurricane Katrina relief in the Gulf of Mexico. Our most visible support in these disasters was the deployment of both hospital ships, the USNS MERCY (T-AH 1) and USNS COMFORT (T-AH 20). The hospital



ships have inpatient capabilities comparable to major medical facilities ashore. They each have 12 fully-equipped operating rooms, a 1,000 bed hospital facility, radiological services, a medical laboratory, a pharmacy, an optometry laboratory, a cat-scan and two oxygen producing plants. Both have decks capable of landing large military helicopters, as well as side ports to take on patients at sea.

For six months after the December 2004 Indonesian earthquake and tsunami, teams of Navy medical personnel and health care providers from the nongovernmental organization Project HOPE conducted daily humanitarian assistance operations onboard USNS MERCY. Operating off the coast of Banda Aceh, MERCY's medical staff treated more than 9,500 patients ashore and afloat, and performed nearly 20,000 medical procedures, including more than 285 surgical and operating room cases. During a stop in Alor, Indonesia, MERCY's team cared for more than 6,200 patients, and during a visit to East Timor they saw more than 8,000 residents.

Our health care support went beyond the USNS MERCY. For example, the dental staff attached to the 15<sup>th</sup> Marine Expeditionary Unit onboard the USS BONHOMME RICHARD (LHD 6) provided emergency dental care to tsunami victims at a temporary dental clinic in the coastal city of Meulaboh, Indonesia. Another example was the health care professionals from the Navy Environmental Preventive Medicine Units (NEPMU) in Pearl Harbor, San Diego, and Norfolk, along with personnel from the Naval Environmental Health Center (NEHC), Portsmouth, VA who assisted in relief efforts in Southeast Asia. The teams included epidemiologists, entomologists, industrial hygienists, environmental and preventive medicine specialists and technicians along with laboratory technicians and microbiologists. The US Naval Medical Research Unit-2 worked with the Indonesian Ministry of Health to stand up an

infectious disease reference laboratory to assist in the diagnoses of cholera, typhoid and vector-borne diseases such as dengue and malaria.

On August 29, 2005, Hurricane Katrina struck the coastal areas of Louisiana, Alabama and Mississippi, causing many deaths, displacing a large civilian population, damaging infrastructure including health-care and public health systems, disrupting communications, and generating devastating flooding. Navy Medicine deployed over 800 health care professionals in support of Hurricane Katrina relief efforts. These personnel deployed with: the USS BATAAN, the USS IWO JIMA, the USNS COMFORT, the Joint Task Force Katrina Surgeon's cell, and with Forward Deployed Preventive Medicine Units, mental health response teams, Navy Construction Battalion Units, as well as in direct support of Navy clinics in Mississippi and Louisiana.

Navy Medicine coordinated supporting relief efforts with medical staff and supplies from Navy medical facilities across the country. For example, a team of medical professionals from Naval Hospital Jacksonville, FL, left with the BATAAN to provide support at the New Orleans Convention Center, the New Orleans International Airport and at a high school in Biloxi, MS. The hospital ship sailed from Baltimore to the Gulf Coast to provide medical support to the Joint Force Maritime Component Command with the mission to provide medical care to patients while local area hospitals recovered from the damage caused by the storm. Active duty and Project Hope medical personnel were on hand to care for displaced persons, military beneficiaries and relief workers.

### **Medical Force of the Future**

Navy Medicine is actively working to seamlessly integrate the talents and strengths of our entire workforce, active duty, reserve component and civilians, to accomplish our dual

mission -- Force Health Protection and quality health care to our beneficiaries. In order to meet the Human Capital transformation requirements of the Navy, the uniformed and civilian personnel composition of some Navy medical specialties will change in the near future. For example, over 1,700 non-readiness related military positions are being converted into civilian positions in 2005. We want to ensure operational requirements are fulfilled by uniformed personnel-while determining those functions that can be performed by civilian or contractor personnel. Our intent is not to eliminate positions, but rather to reduce the utilization of active duty personnel in performing non-readiness functions.

One of our goals is to better utilize the expertise of our Reserve force by increasing integration with the active duty component. We no longer have separate Active and Reserve fleet hospitals, but one fleet hospital system where Reservists work side-by-side with active duty personnel. The establishment of these Operational Health Support Units (OHSU) has created increased cooperation and collaboration between both components. In addition, consolidation of dental units into the OHSUs has been done to mirror changes implemented by Navy Medicine's active component.

Reservists comprise 20 percent of Navy Medicine's manpower resources and their integration with our active duty force is a major priority in achieving our "One Navy Medicine" concept. Since the beginning of Operation Iraqi Freedom, over 3,700 Reservists have been activated to be forward deployed or to meet the needs of MTFs whose active duty personnel were deployed. In addition, the Navy's Expeditionary Medical Facility Dallas deployed earlier this year to Kuwait with nearly 400 people, the majority were Reservists.

Through an innovative Medical Reserve Utilization Program (MEDRUP), Navy Medicine's headquarters assumes operational control of medical Reservists called to active duty.

They are selected using an information system that manages over 6,000 Navy medical Reservists and matches personnel to requirements based on qualifications, availability and other criteria. This system has proven indispensable in identifying Reservists in support of the Global War on Terror.

Finally, with regard to the Reserve Component, Navy Medicine provides physical and dental services to the Navy's Reserve Force (76,473) and the Marine Corps Reserve (39,858) personnel in support of individual medical readiness – a critical component prior to mobilization.

Related to the topic of our personnel, Navy Medicine is also very interested in addressing how the services, the Army, the Air Force and the Navy, can work together in a joint environment. Ideally, all U.S. medical personnel on the battlefield--regardless of service affiliation--should have the same training, use the same communications system and operate the same equipment because we are all there for the same reason--to protect our fighting forces.

It should not matter whether the casualty is a Soldier, Sailor, Airman or Marine, or what color uniform the medical provider wears, injured warfighters should receive the same level of health care. The medical force must be capable of fully supporting joint operational concepts, across the range of military operations. The Military Health System (MHS) must be an agile organization fully aligned with Joint Force concepts, providing optimum combat service support to the Joint Force and maintaining the capability to rapidly respond to new theater and operational requirements dictated by the changing national security environment.

Currently, the MHS capabilities largely represent the sum of somewhat independently developed Service programs. The structure of the MHS crosses multiple command lines including Assistant Secretary of Defense (Health Affairs (ASD(HA))), the Joint Staff, and the Surgeons General of the Services. The three services have separate operational support

doctrines, training programs, human capital strategies, accounting systems and contracting and acquisitions programs. This results in operational, clinical, and business practice disparities across Service medical departments. In the future, capabilities must be “born joint” and optimized to support joint concepts, without compromise due to component requirements.

A Unified Medical Command (UMC), organized similarly to the U.S. Special Operations Command, would provide a responsive military organization that can provide combat service support and peacetime care through a single chain of command. A UMC would preserve existing Service command and control of organic medical assets, as well as select capabilities such as submarine, diving and radiation health for the Navy, while combining the technical guidance provided by the Services with oversight of the peacetime health benefit and diverse medical functions.

The clear advantages of a unified medical command include: providing uniform combat service support mechanisms, joint interoperability and increased military effectiveness across all services; increasing surge flexibility allowing for better preparation for stability operations, the global war on terror, homeland security and defense support, and humanitarian assistance; standardization of business practices and decreased administrative overhead; decreasing other infrastructure costs; elimination of redundant and competitive processes; and alignment with BRAC recommendations.

Mr. Chairman, Navy Medicine continues to rise to the challenge of providing a comprehensive range of services to manage the physical and mental health challenges of our brave Sailors and Marines, and their families, who have given so much in the service of our nation. We have opportunities for continued excellence and improvement, both in the business

of preserving health and in the mission of supporting our deployed forces, while at the same time protecting our citizens throughout the United States.

I thank you for your tremendous support to Navy Medicine and look forward to our continued shared mission of providing the finest health services in the world to America's heroes and their families – those who currently serve, those who have served, and the family members who support them.